U.S. Department of Justice



United States Attorney District of New Hampshire

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MEDIA RELEASE For Immediate Release Thursday, May 20, 2004 **Contact:** William E. Morse

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FIFTH FORMER OFFICIAL OF ENTERASYS NETWORK SYSTEMS, INC. CHARGED IN \$1.3 BILLION ACCOUNTING FRAUD SCHEME; PLEADS GUILTY

CONCORD, NEW HAMPSHIRE: Peter E. Papps, Acting United States Attorney for the District of New Hampshire, and Assistant Attorney General Christopher A. Wray of the Criminal Division of the Department of Justice announced that a fifth former executive of Enterasys Network Systems, Inc., has been charged and today pleaded guilty in connection with an accounting fraud at the computer network products company formerly based in Rochester, New Hampshire. The official, Anthony L. Hurley, Enterasys' former Assistant Controller, pleaded guilty to a Criminal Information charging one count of wire fraud stemming from an alleged scheme to falsely inflate Enterasys' reported revenue. Hurley, age 34, is a resident of Georgetown, Massachusetts.

The maximum sentences for wire fraud at the time of the offense was five years in prison and a monetary fine of up to \$250,000. The defendant's actual sentence will be determined by the Court through the application of the federal Sentencing Guidelines.

This case is being prosecuted under the auspices of the President's Corporate Fraud Task Force. The investigation was conducted by the Federal Bureau of Investigation and the U.S. Postal Inspection Service and was coordinated with a civil investigation conducted by the SEC's Central Regional Office in Denver. The case is being prosecuted by Assistant United States Attorney William E. Morse, and, from the Department of Justice's Criminal Division, Fraud Section, Trial Attorney Michael Koenig and Senior Counsel for Securities Fraud Thomas Hanusik